

Czech dilemmas over Russia and NATO

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The past few months have seen three Czech ministries prepare documents which present two different pictures of Russia and define the Czech Republic's policy in this area in completely different ways. The foreign affairs and defence ministries view Russia as a country which is destabilising the European security architecture and is making attempts to revise the international order. In turn, the minister for industry and trade sees Russia as a key non-EU economic partner for the Czech Republic, with whom co-operation needs to be enhanced. The two different stances on Russia presented by the Czech government are reflected in the moves taken by the left-wing prime minister, Bohuslav Sobotka. On the one hand he understands President Milos Zeman's participation in the military parade commemorating the 70th anniversary of Soviet victory in World War II in Moscow this year, but on the other Sobotka blocks the meeting of the Czech-Russian intergovernmental economic commission. The fact that the Czech government has no clear stance on Russia, coupled with the strong presence of Russian propaganda in the media, has brought about a situation in which almost half of the Czech public have not developed a clear opinion on what is happening in Ukraine. However, the transit of the US Army convoy from the Baltic states via Poland and the Czech Republic to Germany in late March/early April showed beyond any doubt that, at least on a symbolic level, the majority of the Czech public are loyal to the trans-Atlantic orientation.

Russia as a threat...

The Czech minister of foreign affairs, Lubomir Zaoralek from the Czech Social Democratic Party (CSSD) is one of the strongest critics of the Kremlin's recent moves among the foreign ministers of EU member states. He has compared the Russian aggression on Ukraine to German policy with regard to Czechoslovakia in 1938, and has offered arguments that sanctions will add credibility to the EU's protest and are an effective instrument of pressure on Russia. On 31 March, the Czech media published a draft concept for the foreign policy of the Czech Republic to be presented by the ministry of foreign affairs to the government in the coming days. According to the new concept, the development of Czech-Russian relations will depend on the extent to which Russia is going to respect international law and the territorial integrity of its neighbours. As emphasised in the document, Russia – given its potential – remains an important political and economic partner for the Czech Republic and the entire EU, and Prague wants to co-operate with it on constructive terms. However, it also "destabilises the European security architecture in a fundamental way." Zaoralek's stance on Moscow is firm, yet he still wishes to avoid exacerbating already tense relations with

Russia. One proof of this is the manner in which Czech diplomacy got rid of the three Russian spies who were identified last year. Their visas were not renewed and no information on this issue was revealed to the general public for almost a year.

The Czech Republic has taken a clear stance on the Russian moves in Ukraine, but even the fiercest Czech critics of Russia have been avoiding using NATO as a 'deterrent' in their rhetoric concerning Russia. Although they emphasise that they understand the concerns of Poland and the Baltic states, they are more willing to place the focus on the need to "assure" their allies through collective security guarantees. The Czech government opposes the establishment of new NATO bases with the participation of Western allies on NATO's eastern flank. In turn, it supports the implementation of the decisions made during the Newport summit, with the Readiness Action Plan (RAP). The Czech government has undertaken to send 150 soldiers to NATO's Very High Readiness Joint Task Force (VJTF) in 2015.

The Czech Republic's new security strategy approved by the government in February 2015, as compared to the document of 2011, had brought in significant changes as regards the perception of threats. The document developed by the Defence Ministry led by Martin Stropnický from the coalition party ANO 2011 still classifies the risk of military attack on the Czech Republic as low, noting however that an attack on one of the EU or NATO member states cannot be ruled out. Even though Russia is not mentioned directly, the document points out to the threat posed by countries which "attempt to build exclusive zones of influence by destabilising the situation in their neighbouring countries and capitalising on local conflicts." The strategy also describes the challenges linked to the weakening sense of solidarity inside the EU and NATO, and the decreasing levels of military spending in many European countries. The Czech Republic, which has allocated less than 1.2% of its GDP to defence since 2011, last year undertook (in an agreement signed by the government coalition parties) to gradually increase the level of defence spending to reach 1.4% of GDP by 2020. However, they will find it difficult to keep this promise, given the fact that the level of defence spending fell from 1.08% of GDP last year to 1.04% of GDP this year and, according to the finance ministry's plan, it will increase at a very slow rate (up to 1.07% of GDP in 2017). In turn, more funds have been allocated to exercises with allies at home and abroad – these were 60% higher last year, reaching almost 4 million euro. Nevertheless, the Czech army remains seriously underinvested and is short of equipment and soldiers. Due to this, as the head of the general staff, General Petr Pavel claims, it has been unable to meet its obligations with regard to its allies.

... and an economic partner

Jan Mladek, the Czech minister for industry and trade has been pushing through an alternative view on Russia in the Czech government. He has presented Russia as the largest non-EU market for Czech exporters and an important investor in the Czech Republic. Therefore, in his opinion, Russia should still be treated as a key economic partner. This rhetoric is accepted in the Czech Republic with understanding mainly due to the fact that the Czech economy is heavily dependent on exports. Although less than 4% of goods exported from the Czech Republic go to Russia, components are also sold by Czech manufacturers to EU member states and then exported on to the Russian market in the form of finished

products, and these are of big value to the Czech economy. The Czech governments, regardless of the political option, have been making efforts to conquer the Russian market for years. Furthermore, Czech business and political circles are convinced that even if Czechs withdraw from the East, they will be replaced for example by Germans or the French anyway.

Mladek has been arguing that the economic slump in Russia caused by the decreasing value of the Russian currency linked to falling oil prices and additionally exacerbated by Western sanctions should serve as an impulse to strengthen state support for Czech exporters. The Czech export credit insurance agency (EGAP) and the Czech export bank (CEB) are both important instruments which support contracts in Russia. At present the guarantees they provide for transactions total almost 3 billion euro.

According to EGAP estimates, problems with the discharge of liabilities have been seen in the case of 25% of insured transactions in Russia. Given the present situation, the ministry has been making efforts not only to help Czech companies maintain the strongest possible position on the Russian market, but also to enable the development of new co-operation projects. For this reason, Mladek has been insisting that economic diplomacy be strengthened in this country (for example, more frequent entrepreneur missions, opening a new CzechTrade office in Kazan) and a reactivation of the Intergovernmental Commission for Economic, Industrial and Scientific Co-operation chaired by the ministers in charge of the economy. The commission's meeting was scheduled for March 2015, but the Czech government has postponed it indefinitely. In turn, meetings of working groups representing the Czech Ministry for Industry and Trade and the Russian regions have been held on a regular basis. For example, the ministry's representatives are to meet with the government of Sverdlovsk Oblast this May. The Ministry for Industry and Trade is preparing a new version of an export strategy for the Czech Republic where Russia will most likely be recognised as a priority market.

The fine art of keeping your balance

Prime Minister Bohuslav Sobotka has attempted to combine the two perspectives in his approach to Russia. This double-track rhetoric became evident in the Czech approach towards sanctions. Before Prague accepted the EU's consensus, it was making strong efforts to protect, for example, machine tool manufacturers and firms which sell oil processing technologies from the consequences of the sanctions. Prime Minister Sobotka has been trying to keep the Czech Republic within the mainstream EU and NATO debate on Russia, guided above all by Germany's stance in this area. Sobotka views the unity of the Western stance as a priority and is therefore unlikely to undermine it in the context of sanctions or undertakings with regard to allies. Nevertheless, it should be expected that Sobotka will make attempts to capitalise on the available possibilities of minimising the losses sustained by Czech firms by taking care of good economic relations with Russia.

The clear dissonance inside the government concerning Russia allows Sobotka to balance between the centre-left and the post-Communist electorates. According to polls, most ČSSD supporters choose the Euro-Atlantic orientation. However, the less numerous but still vocal and well-organised part of the electorate who share clearly anti-American and pro-Russian views poses a challenge to the party leadership. These circles are willing to co-operate with

President Zeman's milieu and with the Communist Party of Bohemia and Moravia. They have also been regularly used in pro-Kremlin propaganda. Sobotka has reinforced his position in the Czech Social Democratic Party and is not facing an election soon, where he would be forced to compete with the Communists for a similar electorate. However, some members of CSSD also share the Communists' pro-Russian approach. Some of Zaoralek's statements have already provoked outrage among a group of his party colleagues. Sobotka, taking care of the interests of business circles who want good relations with Russia, also takes into account the sensitivity of part of his own party fellows and electorate.

The struggle for public opinion

Since the beginning of the Russian aggression in Ukraine, individuals who present the Russian point of view have been invited to discussions as a rule as equal partners 'representing the other side.' This is to a great extent an effect of President Zeman's statements; by using the phrase 'civil war in Ukraine' he legitimises the slogans employed by Russian propaganda as valid opinions in Czech public debate. Furthermore, 'independent media' addressed usually to young people who do not trust the 'system media' have intensified their activity on the Czech internet. Although still 21% of Czechs declare a friendly attitude towards Russia, the pro-Russian traditions are not strong enough to enable a broad front of support for the Kremlin's policy in the Czech Republic to be built. Russian propaganda in the Czech Republic capitalises on the fact that around 25% of the Czech public have a negative attitude towards NATO and oppose US foreign policy, and around 20% of Czechs have still not made up their minds on this issue.

The strong voice of the pro-Russian circles in Czech public debate, with President Zeman at the lead, means that the Czech Republic is ever more often perceived by the global media as a country 'contributing to the Kremlin's interests.' This was disproved by the public's reaction to the Dragoon Ride, i.e. the convoy of over 500 US soldiers who moved in late March/early April from the Baltic states via Poland and the Czech Republic to a base in Germany. The public's reaction to the Dragoon Ride is unlikely to bring about any major change in the Czech Republic's stance on Russia and NATO, but it will reinforce the position of those in the government who want to place a stronger emphasis on the trans-Atlantic orientation in Czech foreign policy.